

EXHIBIT A1

SYSTEM AND METHOD FOR MAKING PAYMENTS FOR ONLINE AUCTIONS

The present invention provides a method where a participant, i.e., a bidder, of an online auction web site, such as YAHOO!™ Auctions and EBAY™, sets up an account for making payments for items won on the online auction web site. The account is preferably set up by the participant sending a check (preferably made payable to the online auction web site operator) to the operator of the online auction web site or by authorizing the web site operator to credit the participant's credit card by a certain amount. A seller selling items through the online auction web site also sets up an account with the web site operator for receiving payments.

When the participant or bidder wins an item from the online auction web site where the item is provided by the seller, the participant can then click an icon on the web site (or on an e-mail sent by the web site operator to the winning participant or bidder) for initiating a payment transaction. The web site operator then debits the participant's account for the amount of the item won and credits the seller's account by the same amount or by the same amount minus a commission fee earned by the web site operator, e.g., a 10% commission fee. It is noted that the web site operator can also debit the participant's account and credit the seller's account for any fees, such as shipping and handling, taxes, etc.

An e-mail is then transmitted by a server corresponding to the online auction web site to the participant and the seller confirming the payment transaction.

It is contemplated that the online auction web site includes options for a user, e.g., a bidder or seller, to view his/her account information.

It is also contemplated that the accounts are set up and maintained by an independent web site. Accordingly, a winning bidder of an online auction can access the independent web

site either directly (i.e., typing the independent web site's corresponding URL in an address box of a web browser), by clicking a hyperlink on an e-mail provided by the operator of the online auction web site, or by clicking an icon on the online auction web site.

Upon accessing the independent web site, the winning bidder can then initiate a payment transaction by entering at least his/her identification information (e.g., the winning bidder's account number), the amount of the payment, the reason for the payment (e.g., information related to the auction item won), and the seller's identification information (e.g., the seller's account number). Upon entering at least the above information, the winning bidder can then click on an icon, e.g., an icon labeled "PAYMENT", to authorize the operator of the independent web site to debit the winning bidder's account by the entered amount and to credit the seller's account by the entered amount. As noted above, the winning bidder's account can be further debited for fees, such as shipping and handling, taxes, etc., and the seller's account can be credited by the entered amount minus any fees, such as a commission fee. The commission fee in this instance can be shared between the operator of the online auction web site and the operator of the independent web site.

It is contemplated that upon accessing the independent web site, the information noted above as being entered by the winning bidder is automatically provided and displayed by the independent web site. That is, the displayed information is transmitted from a server corresponding to the online auction web site to a server corresponding to the independent web site. Accordingly, the winning bidder needs only to review the displayed information and click the icon to authorize the operator of the independent web site to proceed with the payment transaction.

Upon completion of the payment transaction, an e-mail is sent by the server

corresponding to the independent web site to the winning bidder and seller confirming the payment transaction.

The method for making payments for online auctions according to the present invention is preferably converted into a set of programmable instructions which are executed by a processor to provide a system for performing the method of the present invention.

The attached figure provides a flow chart for performing the method for making payments for online auctions according to the present invention.